

## Drug Tiers: How They Work

Most people understand that prescription drugs are covered by Medicare Part D and many Medicare Advantage Plans. What's not quite as clear is the Drug Tier System and how it works. I'm often asked, "How does my insurance plan come up with what I have to pay for my prescriptions, and is there a way to cut my costs?"

Let's first take a look at how prescription drug plans work. All prescription drug plans (PDPs) have a list of drugs that are covered by their plan. This list is called the 'formulary.' By law, formularies must include both brand name and generic drugs. They also must include choices within commonly prescribed drug categories and classes.

Each plan's formulary can be different for what is offered by other plans. In addition, formularies can change from year to year and even month to month. This is why it is so important to make sure that the specific drug you are taking, (not just the type of drug) is listed in your plan's formulary.

Most prescription drug plans divide the drugs they cover into groups called 'tiers.' The tier

each drug goes into is based on what the plan pays to the pharmaceutical company that makes the drug. If a plan negotiates a lower price on a particular drug, it can pass these savings onto its members so you may pay less for your prescription drugs on one plan over another.

Formularies often change when

generic versions of older drugs become available. New prices may be negotiated. Changes like these may lead a plan to add or remove a particular drug or move it into a different tier.

You can save money by becoming familiar with your plan's drug tiers. You can find your plan formulary on your plan website or call your plan to ask. If you're prescribed a new drug, look for it on the formulary and identify the tier it is in. If the drug is in a higher tier, your doctor may be able to substitute a similar but less expensive drug on a lower tier. You also have the option of filing an exception and asking your plan to allow you to pay a lower cost for the higher tier drug.

For more information, call me at 440-255-5700.

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**L**etter  
from  
Laura

Dear Friends & Clients,

*It's seems like this winter has been one of the toughest ones in my memory. In addition to the snow and cold, most of my communications with you have been limited to Medicare Open Enrollment and Affordable Health Care information. Now that these are over until this fall, I have a chance to share more information on other important topics and will be posting updates on our website, Facebook page and our blog, The Senior Insider Blog Spot, to help keep you informed.*

*As a conservationist at heart, I've also been looking for ways to reduce our use of paper here in the office. One way is to rely on email and the internet more often.*

*Our plan right now is to begin sending an electronic version of our quarterly newsletter via email. We will send email newsletters only to those of you who provide us with an active email address. We will continue to use regular mail for those of you who prefer to receive a paper copy of the newsletter.*

*You can help us by letting us know your current email address, and keeping us informed whenever you change your phone number or address.*

*I hope you find the information contained in each newsletter timely and helpful. If not, please call our office at 440-255-5700 and ask to have your name removed from our mailing list.*

*Wishing you a sunny and warm spring.*

*Sincerely,*

*--Laura Mutsko*

## Don't Count on Your Boss for Medicare Advice

When people are getting ready to retire, they often need to switch from their employer sponsored health insurance plan to Medicare. They naturally turn to their human resources department when questions arise. But, looking to your boss or human resources department for Medicare answers may not be your best bet.

Consumer experts are warning that employers don't always have the most current or correct Medicare enrollment information. The transition to Medicare often presents complex situations and any mistakes you make can result in costly premium penalties and coverage gaps for YOU.

Your employer or human resource staff may be experts on their own benefits packages but, Medicare is not one of their benefits. Misinforma-

tion from employers is one of the most frequent sources of problems that prompt people to call Medicare help lines.

Companies may have a retiree transitioning to Medicare once a month or less. Unlike insurance professionals and Medicare experts,

employers and human resource professionals are not working with Medicare related issues on a daily basis.

I will be happy to review your Medicare options with you. To do so, call me at 440-255-5700 or email me at [lmutsko@mutskoinsurance.com](mailto:lmutsko@mutskoinsurance.com)

to set up an appointment.

A visit to your human resources department isn't a bad place to start. But, be sure to allow yourself enough time to double check all the information you receive. It will save you time and frustration to do so.

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### **On a personal note...**

Just before Christmas we welcomed a new addition to our family . . . a St. Bernard puppy named Bernie. He is one big ball of fur and energy.

Bernie is probably the only one who has enjoyed every minute of this long, hard winter!

## Are you an Outpatient or Inpatient?

If you are in the hospital more than a few hours, always ask your doctor or the hospital staff if you are an inpatient or an outpatient. Your hospital status (whether the hospital considers you an "inpatient" or "outpatient")



You're an inpatient starting the day you're formally admitted to the hospital with a doctor's order. The day before you're discharged is your last inpatient day

If you have a Medicare Advantage Plan, costs and coverage may be different. My clients can always call

**Your hospital status, whether the hospital considers you an "inpatient" or "outpatient" affects how much you pay for hospital services.**

affects how much you pay for hospital services, including X-rays, drugs, and lab tests.

It may also affect whether Medicare will cover the care you get in a skilled nursing facility (SNF).

me if they have questions at 440-255-5700 about their plan.

## Your Opinion Matters



In the coming weeks, you may be asked to participate in a survey that is designed to help the government and insurance providers improve health care. The survey is officially known as The Consumer Assessment of Healthcare Providers and Systems (CAHPS) Health Plan Survey.

A key goal of this survey is to make sure you and other beneficiaries are receiving good medical care in a timely manner from doctors they trust.

The survey asks questions about the quality of your insurance providers' customer service, how easy or difficult insurance forms are to fill out and your personal ranking of your drug and/or health insurance plan.

I encourage you to complete the survey if you are selected to participate. It will give insurance providers and our government important feedback to help improve our health care system.

### Find It & Win!

Somewhere in our newsletter is a **misspelled word**. If you spot it, call us. Your correct answer will be entered into our drawing and the winner will receive a **\$10 gas gift card**.

Call 440-255-5700 or toll-free at 888-951-6201.

## Friends of Mutsko Insurance Services, LLC

We enjoy doing business with people and companies who share our standards and serve their customers with honesty and respect. This month, I would like to introduce



**For the best tasting Italian foods, served in a family friendly atmosphere, please visit**  
**TJ's on the Avenue**  
7485 Mentor Avenue, Mentor • 440-953-5959  
**My favorite is the Chicken Madison!**

If you would like to have your business mentioned as a "Friend of Mutsko Insurance" in our newsletter and on our web site, send me an email at [lmutsko@mutskoinsurance.com](mailto:lmutsko@mutskoinsurance.com).

## Getting Started With Medicare Get the facts on Medicare.

Preregistration is required. Please call the number listed for the class you wish to attend.

Thurs, April 17.....	Chagrin Falls Community Education.....	7:00.....	440-247-5375
Wed, April 23.....	Hudson Community Education.....	6:30.....	330-653-1201
Tues, May 6.....	Lorain County Community College.....	6:00.....	440-366-4148
Mon, May 19.....	Willoughby Hills Library.....	6:00.....	440-942-3362
Tues, May 20.....	Concord Community Center.....	6:30.....	440-639-4650
Wed, May 21.....	Polaris Career Center.....	6:30.....	440-891-7600
Thurs, June 19.....	Peninsula Library.....	6:00.....	330-657-2291
Tues, June 24.....	Kenston Community Education.....	6:30.....	440-543-2552 x 2566

These events are only for educational purposes and no plan specific benefits or details will be proposed. Some locations may charge a nominal fee.



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